

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W.R. GRACE & CO., <u>etal.</u> , ¹)	Case No. 01-1139 (JKF)
)	(Jointly Administered)
)	
Debtors.)	

SUPPLEMENTAL AFFIDAVIT OF W. LARRY FARMER IN SUPPORT OF
AMENDED APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER
PURSUANT TO 11 U.S.C. §§ 327(A) AND 328 AND FED. R. BANKR. P. 2014(A),
2016 AND 5002 AUTHORIZING
THE EMPLOYMENT AND RETENTION OF PRICEWATERHOUSECOOPERS LLP
AS AUDITORS AND TAX CONSULTANTS TO THE DEBTORS AND
DEBTORS IN POSSESSION

STATE OF MARYLAND)	
)	ss.
COUNTY OF HOWARD)	

W. LARRY FARMER, being duly sworn, deposes and says:

1. I am a partner in PricewaterhouseCoopers LLP ("PwC"), an accounting and financial services firm that maintains offices at numerous locations around the world, and I make this Affidavit on behalf of PwC (the "Supplemental Affidavit"). I submit this Affidavit pursuant to the Court's request on the record during a hearing held on June 18, 2002 to consider the application (the "Amended Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of an order (the "Order") authorizing the employment and retention of PwC as auditors and tax consultants to the Debtors in these chapter 11 cases (collectively, the "Chapter 11 Cases"). Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. As the Court is aware, in connection with a 1997 corporate restructuring, the Debtors determined it was necessary to liquidate Chasmbridge Limited (f/k/a W. R. Grace Limited), a wholly owned United Kingdom non-debtor foreign subsidiary of the Debtors ("Grace-UK"). Under British law, a liquidator was needed to effectuate this restructuring. Accordingly, two PwC United Kingdom partners were appointed to serve as the liquidators of Grace-UK and they continue to serve in that capacity as of the date hereof.

3. In connection with fulfilling their roles as liquidators, the PwC United Kingdom partners obtained from W.R. Grace & Co. -Conn. ("Grace-Conn."), a Debtor, a deed of indemnity backed by a letter of credit (the "Indemnity"). This created a potential, contingent obligation of Grace-Conn. to the two PwC partners, should certain events occur in connection with the liquidation.

4. To the best of PwC's knowledge, no claim by PwC against Grace-Conn. arose or exists under the Indemnity.

5. PwC has agreed to waive any and all claims that it ever had, may currently have, or may have in the future, against Grace-Conn. under the Indemnity.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on 6/26, 2002.


W. Larry Farmer

Subscribed and Sworn to before me
this 26th day of JUNE, 2002

A handwritten signature in cursive script, appearing to read "Dawn S. Conner", written over a horizontal line.

Notary Public

My Commission expires: August 14, 2005

DAWN S. CONNER

Commonwealth of Virginia, Notary Public

My Commission Expires August 14, 2005

1 The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-I Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.